

ORDER NO. 3458

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Modification of Mail Classification Schedule for
Country Price Lists for International Mail

Docket No. MC2016-172

ORDER APPROVING MINOR CLASSIFICATION CHANGE

(Issued August 8, 2016)

I. INTRODUCTION

On July 27, 2016, the Postal Service filed a notice pursuant to 39 C.F.R. § 3020.90 concerning a minor classification change to the Country Price Lists for International Mail in Part D of the Mail Classification Schedule (MCS).¹ For the reasons discussed below, the Commission approves the proposed change.

II. BACKGROUND

The Postal Service plans to introduce outbound Priority Mail Express International (PMEI) service to Cuba. Notice at 1. Accordingly, the Postal Service

¹ Notice of United States Postal Service of Minor Classification Change, July 27, 2016 (Notice).

seeks to assign Country Group 9 to Cuba for variable weight PMEI and Country Group 8 to Cuba for PMEI Flat Rate Envelope. *Id.* at 2.

The Postal Service intends for this proposed change to become effective on August 28, 2016. *Id.* at 1. The Postal Service states that the Notice satisfies 39 C.F.R. §§ 3020.90(a) and (b) because the change more accurately represents the Postal Service's current offerings, and because it was filed more than 15 days before the intended effective date. *Id.* at 2. The Postal Service asserts that the Notice complies with section 3020.90(c)(1) because the proposed change merely assigns country groups for the existing PMEI service to a new country destination. *Id.* For this reason, the Postal Service states that the proposed change does not constitute a material change to product descriptions of affected products. *Id.* at 2-3. Furthermore, the Postal Service states that the change is not inconsistent with 39 U.S.C. § 3642 because the change does not add or remove a product from or transfer products between the market dominant and competitive products lists. *Id.* at 3.

On July 28, 2016, the Commission issued an order pursuant to 39 C.F.R. § 3020.91 establishing the present docket, appointing a Public Representative, and providing interested persons with the opportunity to comment.²

III. COMMENTS

The Public Representative submitted comments on August 4, 2016.³ The Commission received no other comments. The Public Representative concludes that the proposed mail classification change complies with 39 C.F.R. § 3020.90 and does not violate other applicable sections of title 39. PR Comments at 3.

The Public Representative agrees with the Postal Service that the proposed change is minor, citing Commission precedent. *Id.* The Public Representative notes

² Order No. 3451, Notice and Order Concerning Minor Classification Change of the Country Price Lists for International Mail, July 28, 2016.

³ Public Representative Comments on Minor Classification Change Notice, August 4, 2016 (PR Comments).

that the proposed change “will not affect the characteristics of the PMEI product” and that “[p]roduct descriptions and country group rates will not change.” *Id.* at 2. The Public Representative concludes that the change would “not significantly impact the mail user’s experience for the PMEI product.” *Id.*

IV. COMMISSION ANALYSIS

The Commission revised its regulations regarding requests for MCS changes or corrections in Docket No. RM2015-6.⁴ The revised rules “distinguish[] between material changes and minor corrections to the descriptive content in the MCS....” Order No. 2543 at 2. The Postal Service filed the proposed change pursuant to 39 C.F.R. § 3020.90, which requires the Postal Service to submit minor corrections to ensure that product descriptions accurately represent current Postal Service offerings. The notice must be filed no later than 15 days before the proposed effective date, and explain why the proposed change is not material for purposes of section 3020.80 and is consistent with all applicable provisions of title 39. Pursuant to 39 C.F.R. § 3020.92, and for the reasons stated below, the Commission approves the proposed change.

As the Public Representative notes, the most important consideration in determining whether a classification change is a material change or a minor change is “the degree to which the proposed alteration affects the characteristics of the product.”⁵ In Docket No. RM2015-6, the Commission explained that factors for determining whether a change is material include whether the proposed change would significantly alter the user experience for the product, and whether it would significantly impact competitors offering a similar service. See Order No. 2250 at 10.

⁴ Docket No. RM2015-6, Order Adopting Final Rules on Changes and Corrections to the Mail Classification Schedule, June 16, 2015 (Order No. 2543).

⁵ PR Comments at 2 (quoting Docket No. RM2015-6, Notice of Proposed Rulemaking on Changes and Corrections to the Mail Classification Schedule, November 14, 2014, at 14 (Order No. 2250)).

The Commission finds that the Postal Service's proposed change is not material for the purposes of 39 C.F.R. §§ 3020.80-.83. The Postal Service's proposed classification change will not affect the characteristics of any products. Additionally, the proposed change does not significantly change the user experience for any product and there is no evidence that it will significantly impact competitors. The Postal Service filed notice of the change on July 27, 2016, more than 15 days before the intended effective date of August 28, 2016. Finally, the proposed change more accurately represents the Postal Service's current offerings. For the foregoing reasons, the Commission approves the proposed change.

V. ORDERING PARAGRAPHS

It is ordered:

1. The proposed classification change is in accordance with 39 C.F.R. § 3020.90 *et seq.* and is not inconsistent with any applicable provisions of title 39.
2. The Mail Classification Schedule language attached below the signature line of this Order is approved. The proposed minor classification change will be implemented August 28, 2016.

By the Commission.

Ruth Ann Abrams
Acting Secretary

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following table represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part D—Country Price Lists for International Mail

4000 Country Price Lists for International Mail

Country	Market Dominant SPFCMI ¹	Competitive						
		FCPIS ²	International Expedited Services			PMI ⁵	PMI Flat Rate Envelopes and Boxes ⁵	IPA & ISAL ⁶
			GXG ³	PMEI ⁴	PMEI Flat Rate Envelope ⁴			

Cuba	9	9	-	<u>9</u>	<u>8</u>	9	8	17
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